

House Engrossed

**FILED**

**KEN BENNETT**

**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
Second Regular Session  
2010

CHAPTER 129

# **HOUSE BILL 2286**

AN ACT

AMENDING SECTION 3-2606, ARIZONA REVISED STATUTES; RELATING TO FEED  
INSPECTION FEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 3-2606, Arizona Revised Statutes, is amended to read:

3-2606. Inspection fees; quarterly statement by distributor;  
retention of records

A. An inspection fee at the rate of fifteen cents per ton shall be paid to the department on commercial feeds distributed in this state by any person licensed pursuant to section 3-2609 subject to the following:

1. If more than one distributor is involved in the chain of distribution the one who sells directly to the ultimate consumer or to a distributor exempted from a license is responsible for submitting the tonnage report and payment of inspection fees.

2. Distributors exempt from a license are not responsible for the filing of tonnage reports or the payment of the inspection fees for products purchased from a licensee and sold in the form in which received.

3. No inspection fees are required for commercial feeds sold or exchanged between licensed manufacturers for further manufacturing or processing, or for commercial feeds on which the inspection fee has been paid by a previous manufacturer or distributor in the chain of distribution.

4. The minimum inspection fee is two dollars for each calendar quarter.

5. THE INSPECTION FEE ON DISTILLERS GRAIN IS PRORATED ACCORDING TO THE MOISTURE CONTENT. IF THE MOISTURE CONTENT OF THE DISTILLERS GRAIN IS FIFTY PER CENT OR LESS, THE FEE APPLIES TO THE FULL WEIGHT. IF THE MOISTURE CONTENT IS OVER FIFTY PER CENT, THE FEE APPLIES TO THE PERCENTAGE OF THE WEIGHT THAT IS DRY CONTENT. FOR THE PURPOSES OF THIS PARAGRAPH, "DISTILLERS GRAIN" MEANS THE CEREAL BY-PRODUCT OF THE DISTILLATION PROCESS.

B. The director may, after a hearing, MAY decrease or increase the inspection fee provided in this section, except that the rate shall not exceed thirty cents per ton.

C. Each person who is liable for the payment of such fee shall:

1. File, not later than the last day of January, April, July and October of each year, a quarterly statement, setting forth the number of net tons of commercial feeds distributed in this state during the preceding calendar quarter. Upon filing the statement such person shall pay the inspection fee at the rate stated in subsection A of this section. Inspection fees which THAT are due and owing and have not been remitted to the department within thirty days following the date due shall have a penalty fee of ten per cent or ten dollars, whichever is larger, added to the amount due when payment is finally made. The assessment of this penalty fee shall not prevent the director from taking other actions as provided in this article.

1           2. Keep such records as may be necessary or required by the director  
2 to indicate accurately the tonnage of commercial feed distributed in this  
3 state. The director may examine such records to verify statements of  
4 tonnage. Failure to make an accurate statement of tonnage or to pay the  
5 inspection fee or comply as provided in this section shall constitute cause  
6 for cancellation of any or all commercial feed licenses on file for the  
7 distributor.

APPROVED BY THE GOVERNOR APRIL 23, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 26, 2010.